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Grain Prices Received by Farmers FOB Winner, South Dakota

Weber Peterson

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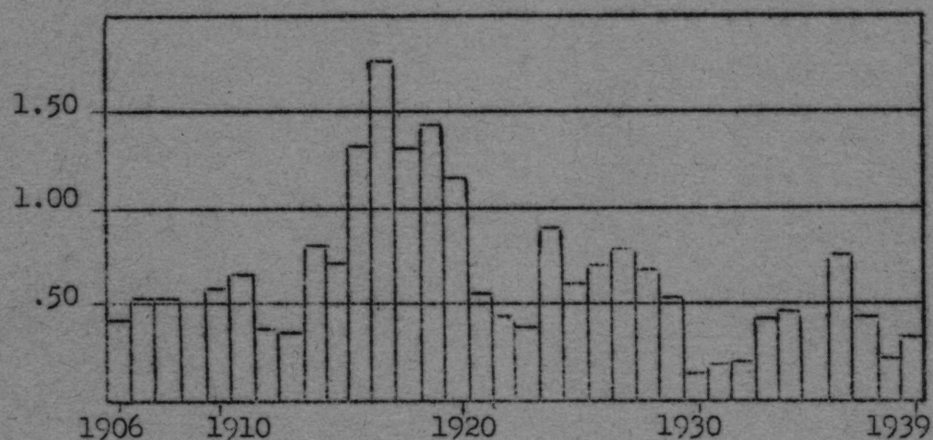
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GRAIN PRICES RECEIVED BY FARMERS
FOB Winner, South Dakota



Rye Prices at Winner, 1906-1939
Crop Year Averages

Department of Agricultural Economics
Agricultural Experiment Station
South Dakota State College
Brookings, South Dakota

GRAIN PRICES RECEIVED BY FARMERS, BY COUNTIES OF SOUTH DAKOTA, 1890-1940^{1/}
Prepared by Weber Peterson, Assistant Economist.

The series of grain prices here presented are calculated from records of terminal market prices by deducting freight charges. In the absence of actual historical local price data this will serve many of the same purposes, subject to the limitations discussed on the inside back cover page.

People interested in agriculture and efficient farming are very much concerned about prices. Unlike producers of branded products, farmers have been unable individually to control market prices through control of production. Since individual farmers have found that, in general, prices have been determined by forces beyond their control they have attempted to increase their incomes by reducing costs and by increasing the volume of products sold. Thus by comparison it might appear that price, an equally important factor in farm income, has been relatively neglected in spite of the obvious connection between low prices and farm depression.

The publication of local price series over this fifty year period is intended primarily as an aid to further studies of the serious economic problems confronting South Dakota farmers. The period begins with August 1890, and ends with July 1940, except in the case of corn where it extends from November 1890 to October 1940.

USES OF PRICE DATA

Agricultural planning of every kind, be it local, state, or federal, be it collective or individual, may profit from a long time knowledge of county prices of the principal grain crops. Individual farmers, business men, government officials, extension and research workers assembled as planning committees, state and federal action agencies, etc., may find use for this information. Among the main possible uses of these price data are the following:

- (1) These computed average monthly prices afford a better guide to the production plans of an individual farmer than the extremely high or low swings of the market that tend to be more vividly remembered.
- (2) Price data such as these should permit the working up of more reliable farm budgets, even though future prices may not take precisely the same course as those in the past.
- (3) Price quotations are an essential component of purchasing power indices. In conjunction with production estimates they permit more reliable income comparisons between different grain crops.
- (4) Price data such as these should assist producers in deciding whether to store or sell cash grain crops at harvest time. Of course, current supply and demand conditions as well as other factors should also be taken into consideration.
- (5) A parity price index showing the relation between prices farmers receive and prices they pay for goods they use might be worked out on a county basis with the aid of these data.

It is hoped that the presentation of these prices will be of some service to farmers, action agencies, planning groups and others who are interested in studying problems confronting the farmer and arriving at a satisfactory solution

^{1/} The tables of prices presented herein are based on pre-publication data for Miller, So. Dak., compiled by Delbert C. Myrick and Everett E. Petersen, Bureau of Agr. Econ., U.S.D.A. in cooperation with the Dep't of Agr. Econ. of the Agr. Exp. Sta. from the files of the Daily Market Record and the Grain Bulletin, Minneapolis, Minnesota.

THE COUNTY PAMPHLET SERIES

IN

AGRICULTURAL ECONOMICS

The County Pamphlet Series in Agricultural Economics is intended to make available to each county economic data concerning its farm history and present agricultural situation. It is hoped that these facts will be of use to county planning groups, individual farmers, research and extension workers and other persons interested in the agriculture of the counties.

Each pamphlet will treat one subject for one county, and is to be released when completed. Pamphlets on various other economic subjects for the different counties will be prepared as soon as possible.

A few copies of each pamphlet will be placed with the county extension agent and a limited number will be sent to private persons upon request.

The project was initiated by the Department of Agricultural Economics and the work is under the direction of its regular staff.

*
* ACKNOWLEDGMENT: This study was made possible by *
* the cooperation of the South Dakota Work Projects *
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* Experiment Station. The project is officially *
* designated as W.P.A. Project Number 265-1-74-57. *
* However, full responsibility for procedures, *
* findings, and interpretations rest with the *
* authors as members of the South Dakota Agricul- *
* tural Experiment Station. *
*

Table 1. Wheat Prices for Winner, South Dakota
Average Monthly and Crop Year Price per Bushel of Wheat*
August 1906 - July 1940

Year	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	A v.
1906	53.9	53.6	54.9	57.4	58.0	57.9	60.3	58.3	61.1	75.0	79.2	81.3	62.6
1907	80.5	86.3	87.6	80.3	84.6	89.3	85.7	86.9	83.1	87.8	86.3	91.4	85.7
1908	87.1	81.8	83.1	85.9	89.3	89.4	92.5	96.0	102.2	109.6	112.4	107.9	94.2
1909	83.0	79.3	83.7	84.6	90.1	93.8	93.6	94.2	90.4	89.3	87.9	100.3	88.9
1910	93.0	90.7	86.5	82.4	81.2	85.6	78.4	76.3	75.8	78.2	75.9	77.2	82.2
1911	83.5	84.4	88.1	83.2	81.6	85.9	84.7	86.8	89.6	94.7	92.1	85.9	86.5
1912	75.7	67.8	68.4	62.7	61.3	65.9	66.9	64.8	68.5	70.2	72.3	70.5	68.1
1913	68.6	67.0	63.6	64.6	65.7	67.4	71.7	71.6	70.6	72.8	70.2	70.3	68.7
1914	85.2	89.6	87.8	93.5	97.0	112.8	126.3	122.2	131.2	131.9	102.7	116.4	107.9
1915	97.5	72.7	77.6	78.4	91.5	106.3	103.4	90.6	97.6	96.8	86.7	94.7	91.1
1916	126.6	138.5	156.2	167.3	149.3	161.8	152.0	167.6	204.0	234.8	214.2	203.4	173.1
1917	204.0	195.2	195.0	195.0	195.0	195.0	195.0	195.0	195.0	195.0	195.0	195.6	195.8
1918	197.8	197.5	198.0	198.2	198.9	198.0	198.0	202.5	226.1	230.2	218.2	227.1	207.0
1919	212.6	214.4	226.4	250.5	268.2	259.8	222.0	237.3	264.0	274.8	255.7	250.6	244.9
1920	215.0	222.4	184.8	148.3	139.2	148.2	135.4	122.7	101.9	108.0	118.2	109.0	146.1
1921	102.0	114.6	97.5	91.2	95.9	96.2	115.3	116.7	123.4	121.2	107.0	103.6	107.0
1922	81.0	75.2	77.9	85.2	90.3	86.8	87.6	87.3	92.7	89.5	78.1	73.3	83.7
1923	83.0	88.2	89.4	84.1	83.8	87.9	90.2	88.0	85.8	89.2	96.6	109.1	89.6
1924	107.4	204.0	115.4	119.0	135.2	154.2	150.8	134.9	115.5	133.2	132.2	127.2	127.2
1925	135.4	122.8	119.3	129.0	142.5	145.2	139.0	130.6	131.8	129.6	131.5	138.7	132.8
1926	122.2	115.7	119.5	114.8	116.0	115.6	113.1	108.9	107.2	118.1	119.8	118.4	115.7
1927	117.6	105.3	99.0	98.9	101.3	103.2	102.1	107.1	120.4	124.0	113.3	101.9	108.0
1928	80.2	78.6	78.7	79.9	80.3	84.8	92.2	90.2	84.3	75.0	77.0	106.9	83.9
1929	103.0	103.6	99.0	96.2	99.7	96.6	91.5	77.9	76.2	74.0	68.5	59.3	87.1
1930	59.6	56.2	51.9	44.1	46.8	46.0	45.4	47.0	49.2	50.6	40.6	33.4	47.6
1931	40.7	46.4	47.0	54.5	49.5	50.2	51.3	45.7	45.7	43.0	34.4	30.3	44.8
1932	34.0	34.3	28.8	26.0	24.5	26.3	25.4	28.1	41.4	51.2	56.1	82.2	38.4
1933	70.0	66.5	60.6	64.1	61.3	65.9	67.0	65.4	61.2	70.6	79.2	82.7	67.9
1934	95.5	95.4	89.5	88.4	89.2	89.1	87.6	87.1	93.9	90.6	77.9	84.0	89.0
1935	99.7	109.2	108.9	102.7	102.7	107.5	106.6	97.4	90.1	83.2	91.2	107.0	100.4
1936	115.6	113.4	119.2	115.5	126.7	129.2	129.4	126.0	126.0	118.5	114.7	124.3	121.5
1937	107.0	100.9	92.0	81.0	85.2	91.5	88.8	80.6	76.1	69.7	73.6	63.2	84.0
1938	49.8	48.8	47.0	46.9	49.8	53.1	51.8	50.6	49.8	57.7	56.5	49.6	50.9
1939	48.4	64.1	61.5	64.6	77.4	79.6	78.4	79.2	83.4	71.9	56.5	54.2	68.2

* No. 1 Northern Spring Wheat

Table 3. Barley Prices for Winner, South Dakota
Average Monthly and Crop Year Price per Bushel of Barley *
August 1906 - July 1940

Year	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	A pr.	May	June	July	Av.
1906	23.9	25.8	27.2	27.5	28.0	29.8	34.4	40.8	41.2	48.1	44.6	35.6	33.7
1907	46.1	65.8	69.2	56.9	71.8	74.7	59.0	53.8	47.8	42.3	36.8	40.7	55.4
1908	41.7	39.4	38.3	39.8	39.8	41.5	43.2	45.5	44.8	50.2	54.1	40.1	43.0
1909	38.1	35.3	36.0	37.3	40.8	45.2	44.4	41.3	38.5	38.5	37.5	41.7	39.4
1910	46.8	50.2	51.6	53.2	59.1	68.0	64.8	73.8	82.1	67.0	62.9	63.5	61.9
1911	79.5	88.5	90.7	90.9	82.4	93.9	88.2	85.7	91.9	90.1	70.3	46.2	83.7
1912	38.7	36.4	37.2	33.2	32.1	34.8	33.3	32.4	32.8	34.7	33.8	34.2	34.6
1913	42.9	45.7	42.1	39.9	34.0	35.0	35.5	33.6	30.7	31.6	32.7	29.2	35.9
1914	40.3	38.6	38.2	41.1	38.1	48.4	56.1	51.0	51.0	51.4	47.6	49.3	45.8
1915	43.4	33.0	34.5	37.1	42.8	52.7	48.6	46.6	47.9	50.6	48.5	48.1	44.4
1916	61.6	66.6	67.6	77.0	68.7	79.7	78.9	89.0	103.0	102.7	85.5	95.8	81.4
1917	100.0	107.0	101.7	96.8	118.0	124.5	156.8	174.5	143.8	108.6	86.3	83.0	116.3
1918	73.1	68.3	66.2	71.4	68.9	67.8	63.9	68.7	81.5	87.1	87.0	97.5	75.0
1919	107.0	98.9	100.6	109.0	124.2	120.9	108.6	123.7	133.9	142.1	123.2	90.9	115.3
1920	77.3	72.1	64.3	58.8	46.3	41.2	34.4	32.4	29.0	28.2	27.7	28.0	45.1
1921	26.4	24.8	18.6	18.2	16.4	19.6	23.6	28.5	30.4	31.0	24.5	25.0	23.9
1922	19.2	24.4	28.5	31.5	33.3	29.4	31.0	31.3	33.8	33.6	30.6	31.7	29.8
1923	27.4	29.1	34.2	31.6	32.9	35.0	38.3	40.6	45.6	45.2	47.2	50.5	38.1
1924	53.2	55.4	59.9	55.1	60.4	66.7	67.6	60.3	56.5	59.1	59.1	58.2	59.2
1925	46.8	38.3	37.5	36.5	37.6	37.7	35.4	35.2	36.6	38.6	38.0	40.4	38.2
1926	35.4	34.8	37.5	38.4	40.4	43.6	44.5	44.9	49.3	58.4	62.0	51.4	45.0
1927	49.4	47.4	47.6	51.1	57.8	59.2	62.1	64.7	67.1	67.9	68.2	55.8	58.3
1928	40.1	37.4	36.1	35.4	35.9	40.1	45.3	40.6	37.9	33.4	33.2	43.0	38.1
1929	35.0	36.4	33.4	33.9	34.1	32.2	31.2	30.8	30.6	29.5	23.8	20.9	30.9
1930	27.3	26.3	22.6	19.7	18.2	15.0	13.2	12.6	13.4	11.7	10.0	11.9	16.8
1931	18.8	20.8	21.7	23.8	24.6	25.3	26.6	28.3	25.3	18.0	13.2	11.2	21.5
1932	9.1	7.6	6.1	9.5	7.8	5.6	5.6	6.9	13.6	15.1	19.2	38.2	12.1
1933	29.8	34.1	27.9	25.4	27.7	31.6	29.7	26.8	21.7	26.1	35.5	36.6	29.5
1934	54.7	63.9	56.4	58.4	64.8	62.5	60.2	52.0	52.8	37.5	27.6	23.6	50.9
1935	22.2	23.0	22.2	20.9	19.9	21.0	21.5	18.3	16.6	13.7	18.3	40.1	21.5
1936	56.5	58.9	62.6	67.6	71.6	70.9	68.6	62.3	59.9	51.4	41.5	41.3	59.1
1937	33.7	36.0	35.2	35.4	35.9	41.9	42.6	37.3	33.1	32.7	29.0	23.9	34.6
1938	19.0	20.4	20.5	17.8	19.0	20.8	20.0	20.5	20.0	21.7	24.9	19.0	20.3
1939	16.6	25.6	25.0	25.0	27.6	30.5	29.4	29.0	30.6	29.7	25.2	23.9	26.4

* No. 1 Feed Barley

Table 4. Rye Prices for Winner, South Dakota
Average Monthly and Crop Year Price per Bushel of Rye *
August 1906 - July 1940

Year	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Av.
1906	32.0	34.3	37.0	38.8	41.0	36.4	39.1	40.7	41.6	50.2	59.4	55.3	42.2
1907	52.0	61.8	57.5	51.1	53.1	57.3	56.3	56.5	51.8	55.5	51.3	47.9	54.5
1908	53.0	51.3	50.4	49.8	51.0	51.4	53.4	55.4	61.8	65.1	64.6	54.5	54.9
1909	47.8	45.5	48.3	49.2	52.2	57.0	56.5	54.4	50.1	49.8	48.5	51.5	50.8
1910	52.9	50.4	51.1	54.2	57.7	60.6	59.0	64.9	67.6	77.5	65.5	58.3	59.9
1911	61.6	65.9	73.6	68.2	67.8	70.2	68.6	69.2	69.0	67.8	59.5	48.2	66.0
1912	44.7	42.6	43.8	37.3	34.9	38.1	37.1	35.0	37.8	37.6	36.4	37.8	38.7
1913	41.6	42.0	36.6	34.0	34.3	34.2	35.0	35.3	36.1	38.8	38.0	36.3	36.8
1914	56.2	66.8	65.0	78.7	84.2	93.1	101.7	89.4	89.2	94.0	89.6	78.3	81.9
1915	76.7	69.9	75.7	74.0	71.5	75.6	74.5	67.8	72.4	72.7	73.3	71.2	72.9
1916	90.8	98.6	104.1	120.3	109.7	115.4	115.9	132.5	159.6	195.3	199.2	171.8	134.6
1917	151.4	160.5	157.1	153.8	157.9	169.0	202.4	261.6	240.8	188.5	161.4	147.6	179.2
1918	142.1	137.6	135.9	138.6	133.6	128.3	112.1	130.0	147.2	129.0	121.2	130.6	132.0
1919	123.2	113.5	111.0	112.3	139.5	147.3	127.4	144.6	169.5	180.4	187.4	175.8	144.6
1920	160.7	155.5	139.2	122.2	121.0	130.0	113.4	104.9	90.7	96.1	86.0	75.8	116.3
1921	67.2	66.9	47.7	41.1	46.0	42.8	61.4	64.7	65.6	69.8	54.2	44.7	56.1
1922	34.7	34.5	38.2	50.6	54.0	52.3	52.0	47.8	51.3	44.5	35.2	32.1	43.8
1923	33.6	38.0	39.0	37.2	38.4	39.8	39.3	35.5	34.0	36.3	42.9	53.5	38.9
1924	58.8	70.7	93.3	95.9	107.7	125.4	124.6	98.5	79.0	86.6	80.2	68.3	90.3
1925	73.0	54.6	49.0	54.0	71.5	72.5	62.4	54.1	56.7	54.4	62.4	74.7	61.4
1926	68.8	65.6	66.4	63.8	65.2	70.3	74.2	70.3	72.1	81.1	83.2	69.8	70.9
1927	63.6	64.3	64.7	71.9	75.0	75.3	78.2	86.9	96.6	100.2	94.7	76.9	79.1
1928	65.5	65.5	69.1	70.5	71.7	74.6	79.2	75.3	64.3	55.2	55.4	77.1	68.5
1929	70.7	69.6	69.1	65.8	70.6	61.6	49.9	39.5	40.9	36.8	27.8	24.5	52.3
1930	31.8	25.5	21.1	14.0	15.3	10.4	9.5	7.2	6.1	7.6	8.3	8.6	13.8
1931	15.3	16.7	19.2	29.0	23.8	24.3	24.3	24.8	22.2	17.1	10.4	8.8	19.6
1932	11.4	12.2	9.2	8.5	7.7	9.8	10.3	13.0	21.2	30.0	41.8	61.9	19.8
1933	48.8	48.8	38.5	38.3	34.9	39.0	38.5	36.4	34.6	37.5	45.3	50.4	41.0
1934	65.4	63.5	52.9	52.8	56.0	51.2	45.2	39.6	39.4	33.3	24.4	21.8	45.4
1935	23.3	25.2	29.8	27.2	27.7	31.2	34.3	30.4	28.1	28.8	35.6	52.1	31.1
1936	60.0	61.5	61.4	67.4	84.2	88.1	88.4	86.3	88.4	86.4	74.2	66.5	75.8
1937	56.0	55.6	50.6	45.8	46.2	51.8	51.6	44.2	35.8	33.0	30.3	27.0	43.9
1938	18.2	18.3	18.1	16.8	19.1	22.1	21.0	19.2	19.2	25.5	26.5	19.6	20.3
1939	18.1	28.5	28.7	27.8	42.6	45.9	42.7	42.8	45.3	34.1	20.9	21.0	33.1

* No. 2 Rye

Table 6. Corn Prices for Winner, South Dakota
Average Monthly and Crop Year Price per Bushel of Corn*
November 1906 - October 1940

Year	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Av.
1906	17.7	17.8	18.3	19.8	18.1	19.0	27.0	29.7	30.4	33.9	40.0	38.5	25.9
1907	34.1	32.6	36.1	36.0	38.0	42.8	46.9	46.2	52.3	54.4	55.2	43.2	43.1
1908	37.0	35.4	35.0	38.5	41.5	45.2	51.2	49.2	47.7	44.6	44.5	33.7	41.8
1909	30.8	32.8	34.9	31.7	27.3	24.0	31.2	29.8	34.0	34.4	29.0	26.3	30.5
1910	21.2	21.5	23.6	22.1	22.5	27.6	31.8	33.1	43.8	42.4	44.0	43.8	31.7
1911	38.8	28.6	32.2	38.8	42.8	53.9	52.5	47.8	50.0	50.0	46.6	41.0	43.7
1912	24.2	23.4	24.8	25.8	27.0	34.0	38.6	38.0	39.4	50.7	50.0	44.6	35.2
1913	44.2	41.0	38.7	37.1	39.2	43.2	46.0	46.3	45.7	54.2	53.2	39.9	44.1
1914	40.0	41.2	49.0	51.4	47.7	49.8	52.2	50.5	57.2	58.7	52.6	44.5	49.6
1915	47.0	30.3	26.0	26.0	26.0	26.0	26.0	26.0	26.0	--	57.0	59.5	33.9
1916	66.1	64.4	72.3	73.9	84.7	110.1	124.7	135.8	144.6	148.0	148.0	--	106.5
1917	--	144.2	140.1	150.0	151.5	136.4	136.1	134.4	144.0	150.7	137.9	113.3	139.6
1918	104.8	113.4	112.2	99.3	113.5	135.5	142.2	143.1	158.0	161.0	120.7	101.8	125.4
1919	108.5	113.7	112.9	109.6	123.0	136.6	156.0	145.6	116.0	117.7	92.6	59.8	116.1
1920	49.2	42.5	33.5	29.2	22.4	18.5	20.7	21.9	22.2	19.1	16.6	10.0	25.5
1921	10.8	11.3	12.8	21.5	21.5	22.3	24.9	23.8	27.8	26.2	27.6	31.9	22.0
1922	37.6	38.6	37.5	40.1	40.4	48.0	51.0	50.3	51.7	53.0	52.8	51.1	46.1
1923	46.0	38.9	44.1	47.4	45.3	46.1	45.6	54.8	75.8	88.1	86.8	82.0	58.6
1924	74.9	84.5	86.5	81.9	69.7	62.6	74.2	79.1	79.4	74.4	59.9	45.1	72.5
1925	43.7	41.2	44.2	39.0	37.4	37.0	37.6	43.1	53.3	54.5	50.6	47.3	44.1
1926	41.6	40.6	42.6	40.4	36.5	39.5	57.4	64.6	69.8	79.2	65.3	55.3	52.9
1927	49.8	50.6	52.4	58.1	61.8	67.4	72.5	69.4	69.1	65.0	63.9	46.3	60.6
1928	47.3	48.0	57.6	60.3	57.6	53.5	51.7	57.0	66.1	67.9	67.3	61.1	57.9
1929	51.6	54.4	53.4	50.6	46.5	47.8	48.0	47.6	50.9	67.8	60.2	48.4	52.3
1930	35.7	36.1	33.4	28.9	26.3	26.6	25.3	25.6	26.9	26.5	23.6	15.3	27.5
1931	24.6	21.1	21.3	18.5	17.5	16.3	14.3	11.2	14.9	13.0	7.6	3.2	15.1
1932	4.2	1.6	2.2	0.6	2.9	10.4	18.0	19.7	31.2	25.9	23.0	17.9	13.3
1933	19.6	22.9	26.2	23.8	23.9	21.8	27.3	35.6	40.1	55.3	58.2	56.6	34.6
1934	64.8	73.2	70.8	68.4	61.4	67.3	64.1	61.7	61.9	59.3	57.9	36.7	62.1
1935	34.5	33.7	36.1	39.0	39.9	38.5	34.9	37.7	63.4	86.8	85.1	80.4	51.2
1936	88.7	90.8	98.0	99.2	101.0	113.9	111.0	98.2	97.6	88.9	77.4	36.1	91.6
1937	31.5	34.6	36.7	35.4	34.5	35.6	34.1	33.2	34.0	28.9	28.0	20.8	32.2
1938	22.5	25.7	26.3	23.0	22.5	24.1	26.5	25.7	20.7	21.0	31.7	25.2	24.6
1939	25.9	30.1	32.7	31.9	32.4	37.8	40.5	38.0	38.3	38.0	33.7	34.6	34.5

* Highest price quoted for the year, No. 2 or No.3 Yellow Corn.

The Method of Computing These Prices

The monthly average grain prices for the stations were computed from the average prices at Miller obtained in the aforementioned manner (see footnote 1). Freight rates were obtained from other stations to Minneapolis and from Miller to Minneapolis; then freight differentials were computed as between the other stations and Miller and these differences were either added on or subtracted from the average monthly price at Miller depending on whether the freight was more or less from the other stations to Minneapolis than from Miller to Minneapolis.

The yearly average crop year prices are averages of the daily prices throughout the year rather than a mere average of the monthly prices; this eliminates a possible source of error since each month did not have the same number of grain price quotations. The crop year is from August through July for all grains except corn for which it is November through October. No attempt was made to arrive at a composite price to represent all grades of one grain. It was thought that some such price would not be as useful to individual areas of the state; it was also thought that the people of each locality would have a good idea of how much above or below the prices for the published grades the other grades would be.

Limitations of Prices

The limitations of the price data here presented must not be lost sight of in any use which is made of them. For most purposes they are not thought to be seriously defective, but the following considerations should be noted.

In the first place they must be regarded as computed prices rather than as actual historical prices. The effort has been made to check them against historical records such as local newspaper quotations, but those too must be recognized to be subject to some error; particularly where only scattered quotations are available to represent a fluctuating market. Where checks have been made discrepancies as large as 5¢ per bushel have been found in checking against daily prices, but the discrepancy is rarely more than 2¢ on the monthly or yearly averages.

In the second place both the computed prices and the newspaper prices may under certain circumstances misrepresent the prices received by farmers for their grain. It is recognized of course the FOB prices such as these must be adjusted for handling costs, elevator buying margins, etc. Likewise adjustments for different grades will cause no difficulty. More serious questions arise in the case of prices of feed grains. Obviously the method of computation used is valid only for surplus areas. The greater the proportion of grains fed and the less sold as cash grain outside the local market the less exact the approximation to true historical prices. For most purposes this is not too serious so long as the nature of the grain market in the local area remains fairly constant. However in years of partial crop failure when normally surplus areas shift to deficit areas the prices here quoted would substantially underestimate the prices receivable by those local farmers fortunate enough to have grain to sell, and of course also the prices paid locally by feeders.

In the third place there was undoubtedly a greater lag in the response of local markets to terminal market prices in earlier years when information services were not so highly developed. Finally, a minor source of inaccuracy for later years may be the growth of truck hauling at rates lower than the rail rates used in the computation of these figures.